



# RURAL DEVELOPMENT VERMONT/NEW HAMPSHIRE

Volume 2005

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**Committed to the future of rural communities**

## GUARANTEED HOUSING NEWS

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### **2006 GUARANTEE LOAN FUNDS AVAILABLE AND FUNDING RESERVATION SYSTEM ACTIVATED**

Guarantee Conditional Commitments are being issued daily in both Vermont and New Hampshire. President Bush has signed the Agriculture Appropriations Act which provides USDA Rural Development's funding. Nationally the Guarantee program is a \$3.681 billion dollar program.

According to Roger Glendenning the National Director of the Single Family Housing Guarantee Loan Division adequate funds are expected for all States throughout Fiscal Year 2006 (October 2005-September 2006). Our National Reservation of Funds System has just been activated as a result of the budget passage. RD's local staff can now input your reservation of funds request via a completed Request for Reservation of Funds RD Form 1980-86 sent to either the Concord or St. Johnsbury RD offices. Attached is a Reservation of Funds form for your use.

Cheryl and Colleen can issue your reservation/commitment the same day your reservation of funds/loan package is received. We have been able to access funds needed to finance all requests. Keep the loans coming, we want your business!

### ***STREAMLINED MI FOR NEWLY CONSTRUCTED HOMES!!!!***

Do you have applicants who need financing for new construction loans with PMI? Rural Development is streamlining the requirements for the financing of new homes to help Lenders use our Guarantee on the end financing of single family home construction projects. Most construction loans are for turn-key deals. Conditional commitments can be issued for homes to be built as well. For newly constructed homes, Rural Development will be able to accept a certification from a Lender that the following is in the Lender's file for all newly constructed homes:

- a. blueprint quality plans and specifications
- b. The home was built by a professional general contractor
- c. The home meets the current VT or NH (as applicable) Model Energy Code
- d. The municipality or regulatory agency has issued a building permit, all applicable state permits and a certificate of occupancy.

- e. Complete three building progress inspections (foundation, pre-sheet rock and final)
- f. The builder provides a one year written builder's warranty.

Please note, Rural Development is asking Lenders to certify that the above information has been obtained and maintained in the Lenders file only. You are not required to send this information to the Rural Development office. Please contact any of our Guarantee staff should you have questions.

## ***FIRST HORIZON HOME LOANS /COMMUNITY NATIONAL BANK LENDERS OF THE YEAR IN 2005***

In recognition of their outstanding support and participation in the USDA Rural Development Single Family Housing Guaranteed Loan Program, First Horizon Home Loans whose regional office is located in Bedford, New Hampshire and Community National Bank of Derby, Vermont have been selected as our Lenders of the Year for New Hampshire and Vermont.

USDA Rural Development is proud to honor both First Horizon and Community National Bank. Our partnership has strengthened New Hampshire's and Vermont's economy and improved the lives of many rural citizens. We wish to congratulate both institutions for their continued support of affordable housing in Northern New England.

## ***VERMONT LOAN GUARANTEES CENTRALIZED IN ST. JOHNSBURY AREA OFFICE***

In December 2004 USDA, Rural Development (RD) initiated a pilot project whereby Vermont's guaranteed housing program was administered in both our Brattleboro and St. Johnsbury offices. Although the pilot was successful, we feel it is in the best interest of our program to centralize it in one office.

As of November 1, 2005 Vermont's guaranteed loan program was centralized in our St. Johnsbury, Vermont office. All RD guaranteed reservations, Requests for Loan Note Guarantees and Closing Packages on Vermont properties should be faxed/sent to:

*USDA RURAL DEVELOPMENT  
481 Summer Street, Suite 203  
St. Johnsbury, VT 05819-2734  
Phone: 802-748-8746  
Fax: 802-748-1621*

Cheryl Ducharme, our Guaranteed Housing Specialist in St. Johnsbury will be dedicated to serve our Guaranteed Lenders. By devoting the majority of her time to RD's guaranteed program we believe our services to you can be expanded and enable your institution to originate more loans accessing RD's guaranteed program as your PMI of choice.

Please take the opportunity to give Cheryl a call at (802) 748 8746 X 107 to get acquainted and/or to answer any questions you may have about the program/change in service.

Thank you for your continued support of our guaranteed housing program. We look forward to an even bigger usage of our program this fiscal year!

## **REMINDERS**

-RD Guarantees can finance homes **up to 102% LTV** if the applicant will be financing the Guarantee Loan Fee. This can minimize the needed cash resources your applicant will need.

- Please keep in mind that you need to submit the **ORIGINAL 1980-21** Request for Loan Note Guarantee form with original signatures by both the Lender and the Borrower(s). Line 9 of the form “We propose to loan \$\_\_\_\_\_” need to agree with the total loan amount on the bottom of the page.

## **FAQs...**

**Question:** The industry has come out with new appraisal forms, what are the RD appraisal requirements on a Guarantee loan?

**Answer:** There was an Administrative notice that came out on this issue on October 21, 2005 which allows Lenders to use the old Uniform Residential Appraisal Form 1004 or the Quantitative Analysis Appraisal Form 2055 until January 1, 2006. RD and many secondary markets will not allow new appraisal forms that are a “windshield or drive by” appraisal reports. Any appraisals where the appraiser does not personally inspect the property will not be acceptable to meet RD’s Guarantee requirements. If using the 2055 form the appraiser should also add a valuation of the site on their report.

## **LENDER TRAINING AVAILABLE**

The RD Staff is available to give hands on training to your staff on request. We would be pleased to come to your site and provide customized training to meet your institution’s needs enabling you to originate more RD Guarantee loans. In the past this has been an effective way to meet a Lender’s training requirements. This type of training is most beneficial to new originators unfamiliar with the RD product or seasoned staff requiring an update or refresher. Let us know your needs. Colleen, Cheryl or Steve (the Concord, NH, and St.Johnsbury, VT offices), are available to help your staff in any way. Give them a call or e-mail them.



**RURAL DEVELOPMENT IS AN EQUAL OPPORTUNITY LENDER, PROVIDER AND EMPLOYER. COMPLAINTS OF DISCRIMINATION SHOULD BE SENT TO: USDA, DIRECTOR, OFFICE OF CIVIL RIGHTS, WASHINGTON DC 20250-9410**

***The entire USDA Rural Development staff wish all of our Lenders and Partners a safe and happy Holiday Season.***

